

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: Fee	6. SURFACE: Fee
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
2. NAME OF OPERATOR: ConocoPhillips Company		8. UNIT or CA AGREEMENT NAME: N/A	
3. ADDRESS OF OPERATOR: P.O. Box 51810		9. WELL NAME and NUMBER: Duvel 28-863	
CITY Midland STATE Tx ZIP 79710		10. FIELD AND POOL, OR WILDCAT: Drunkards Wash Undesignated	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 952.74 FNL & 2249.05 FEL AT PROPOSED PRODUCING ZONE:		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 28 14S 10E	
516809x 4381352y 39.583603 -110.804273			
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 1 mile south of Price, Utah		12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) ~900	16. NUMBER OF ACRES IN LEASE: ~640	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1500' +/-	19. PROPOSED DEPTH: 1,500	20. BOND DESCRIPTION: Statewide	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5528.9 GL	22. APPROXIMATE DATE WORK WILL START: 10/1/2007	23. ESTIMATED DURATION: 30 days	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
17 1/2	13 3/8" H40 40.5#	60	
11	8 5/8" J55 24#	400	185 sxs G + 2% CC .25 pps D130 15.8 ppg 1.16 ft3/sk
7 7/8"	5 1/2" M80 15.5#	1,500	285 sxs 50/50 G + 2% gel + .1 defo 14.1 ppg

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|---|--|
| <input type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input type="checkbox"/> COMPLETE DRILLING PLAN |
| <input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Donna Williams TITLE Sr. Regulatory Specialist
SIGNATURE DATE 9/10/2007

(This space for State use only)

API NUMBER ASSIGNED: 43-007-31332

APPROVAL:

RECEIVED
SEP 12 2007
DIV. OF OIL, GAS & MINING

Range 10 East

(5253.60')

UTM
N 4381354
E 516808

DUVEL #28-863
ELEV. 5528.9'

2249.05'

28

N00°00'08"W - 2657.13'

N00°02'59"E - 2662.26'

(S89°44'W - 5262.84')

Legend

- Drill Hole Location
- ⊙ Metal Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- () GLO
- GPS Measured

NOTES:

1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

LAT / LONG
39°35'01.036"N
110°48'15.411"W

Location:

The well location was determined using a Trimble 5700 GPS survey grade unit.

Basis of Bearing:

The Basis of Bearing is GPS Measured.

GLO Bearing:

The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:

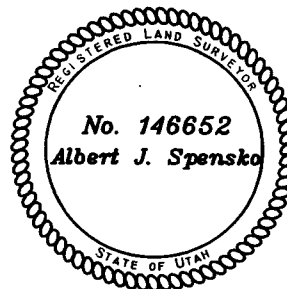
Basis of Elevation of 5459' being at the Southeast Section Corner of Section 34, Township 14 South, Range 10 East, Salt Lake Base and Meridian, as shown on the Price Quadrangle 7.5 minute series map.

Description of Location:

Proposed Drill Hole located in the NW/4 NE/4 of Section 28, T14S, R10E, S.L.B.&M., being 952.74' South and 2249.05' West from the Northeast Section Corner of Section 28, T14S, R10E, Salt Lake Base & Meridian.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



GRAPHIC SCALE

0 500' 1000'
(IN FEET)
1 inch = 1000 ft.



TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon @ etv.net

ConocoPhillips Company

WELL DUVEL #28-863
Section 28, T14S, R10E, S.L.B.&M.
Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 10/6/06
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 2604

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/12/2007

API NO. ASSIGNED: 43-007-31332

WELL NAME: Carbon
County 28-863

OPERATOR: CONOCOPHILLIPS COMPANY (N2335)

PHONE NUMBER: 432-688-6943

CONTACT: DONNA WILLIAMS

PROPOSED LOCATION:

NWNE 28 140S 100E

SURFACE: 0952 FNL 2249 FEL

BOTTOM: 0952 FNL 2249 FEL

COUNTY: CARBON

LATITUDE: 39.58360 LONGITUDE: -110.8043

UTM SURF EASTINGS: 516809 NORTHINGS: 4381352

FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DWD	11/21/07
Geology		
Surface		

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 6196922)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. PRRV)
☒ RDCC Review (Y/N)
(Date: _____)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

____ R649-2-3.
Unit: _____
____ R649-3-2. General
☒ Siting: 460 From Qtr/Qtr & 920' Between Wells
☒ R649-3-3. Exception
____ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
____ R649-3-11. Directional Drill

COMMENTS:

Needs Permit (10-09-07)

STIPULATIONS:

1- Spacing Slip
2- STATEMENT OF BASIS

T14S R10E

CARBON COUNTY
DUNE 28-863

CASSIA 28-862

28

DRUNKARDS WASH FIELD

CAUSE: 243-9 / 2-8-2005

LDS 28-861

LDS 28-860

KEACH 27-864

LDS 33-522

UTAH 33-530

DRUNKARDS WASH UNIT

OPERATOR: CONOCOPHILLIPS CO (N2335)

SEC: 28 T.14S R. 10E

FIELD: UNDESIGNATED (002)

COUNTY: CARBON

SPACING: R649-3-3 / EXCEPTION LOCATION

Field Status

- ☒ ABANDONED
- ☒ ACTIVE
- ☒ COMBINED
- ☒ INACTIVE
- ☒ PROPOSED
- ☒ STORAGE
- ☒ TERMINATED

Unit Status

- ☒ EXPLORATORY
- ☒ GAS STORAGE
- ☒ NF PP OIL
- ☒ NF SECONDARY
- ☒ PENDING
- ☒ PI OIL
- ☒ PP GAS
- ☒ PP GEOTHERML
- ☒ PP OIL
- ☒ SECONDARY
- ☒ TERMINATED

Wells Status

- ☒ GAS INJECTION
- ☒ GAS STORAGE
- ☒ LOCATION ABANDONED
- ☒ NEW LOCATION
- ☒ PLUGGED & ABANDONED
- ☒ PRODUCING GAS
- ☒ PRODUCING OIL
- ☒ SHUT-IN GAS
- ☒ SHUT-IN OIL
- ☒ TEMP. ABANDONED
- ☒ TEST WELL
- ☒ WATER INJECTION
- ☒ WATER SUPPLY
- ☒ WATER DISPOSAL
- ☒ DRILLING



OIL, GAS & MINING



PREPARED BY: DIANA MASON
DATE: 10-SEPTEMBER-2007

Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

10/31/2007

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
550	43-007-31332-00-00		GW	P	No
Operator	CONOCOPHILLIPS COMPANY		Surface Owner-APD		
Well Name	Carbon County 28-863		Unit		
Field	UNDESIGNATED		Type of Work		
Location	NWNE 28 14S 10E S 952 FNL 2249 FEL GPS Coord (UTM) 516809E 4381352N				

Geologic Statement of Basis

A silty, poorly permeable soil is developed on the Blue Gate Member of the Mancos Shale. This well is about 450' from the Price River. No aquifers with high quality ground water are likely to be encountered unless the Mancos Shale is saturated from the river, in which case there may be some minor, near-surface seepage. The proposed casing and cement program will adequately isolate any water-bearing strata. Two underground water rights have been filed, within a mile of the location, on the resources of a 192' deep water well in the SWSW corner in adjacent Section 22, Township 14 South, Range 10 East. This shallow well is about 1/2 mile northeast of the location.

Chris Kierst
APD Evaluator

10/30/2007
Date / Time

Surface Statement of Basis

Pit liner is optional based on pit ranking criteria completed during pre-site inspection. Drainages should be diverted around and away from well-pad and road during construction of site. Berms should be utilized to contain fluids, generated and /or used at well-site and potentially spilled, on location.

Mark Jones
Onsite Evaluator

10/9/2007
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Surface	The well site shall be bermed to prevent fluids from leaving the pad.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator CONOCOPHILLIPS COMPANY
Well Name Carbon County 28-863
API Number 43-007-31332-0 **APD No** 550 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 NWNE **Sec** 28 **Tw** 14S **Rng** 10E 952 FNL 2249 FEL
GPS Coord (UTM) 516808 4381353 **Surface Owner**

Participants

M. Jones (DOGM), Gayla Williams (Carbon County), J. Semborski and Brandon Trease (COPC), Wayne Frandsen (surface owner).

Regional/Local Setting & Topography

South of city center of Price ~1 mile and east of Hwy 10 ~.25 mile. Just south of Price River and South of Highway 50&6. Topo is rolling shale hill that has had the topsoil and gravel excavated off from it a long time ago.

Surface Use Plan

Current Surface Use
Industrial

New Road	Miles	Well Pad	Src Const Material	Surface Formation
	0.19	Width 175	Length 235	Onsite

Ancillary Facilities

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

very little flora at this location due to poor soil characteristics, shale hillside, very little topsoil. What does grow is a little greasewood and rabbit brush and other weeds, all vegetation is sparse. Very little Fauna, maybe some insects, an occational lizard, and a deer might come up from the river once in a while.

Soil Type and Characteristics

mancos shale

Erosion Issues Y

soil is actively eroding however there isn't much that can be done about it. Construction of pad with diversion of drainage, culverts, etc should help slow the erosion process some.

Sedimentation Issues Y

some of the erosion does make it to Price River but again the problem should be helped by the pad construction not increase the erosion.

Site Stability Issues N

Drainage Diversion Required Y

drainage around and away from the well-pad and road should be included during construction.

Berm Required? Y

contain fluids generated on location, on location.

Erosion Sedimentation Control Required? N

it wouldn't help much.

Paleo Survey Run? N

Paleo Potential Observed? N

Cultural Survey Run? Y

Cultural Resources? N

Reserve Pit**Site-Specific Factors****Site Ranking**

Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	200 to 300	10
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Low permeability	0
Fluid Type	Air/mist	0
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	10 to 20	5
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0

Final Score 15 2 Sensitivity Level

Characteristics / Requirements

Dugout earthen (50x50x10) exterior to pad.

Closed Loop Mud Required? N

Liner Required? N

Liner Thickness

Pit Underlayment Required? N

Other Observations / Comments

Operator will probably use a liner irregardless of DOGM stips. Note that the well diagram is set-up in a way that the rig they have been using (Pense #18) will not be able to drill in this configuration. I brought this to the attention of J. Semborski of COPC at a date later than the pre-site. I don't know what COPC decided to do about this. The surface owner was under the impression that a fence would be installed around location to prevent atv riders who frequent "the hill" from getting hurt at the site. I did not see any more of a need for such a fence here as at other well-site located on property at the moto-x, where fences have not been needed or stipulated. Access and utilities would be coming from the east (around not over the top of the hill).

Mark Jones

10/9/2007

Evaluator

Date / Time

utah.gov


Online Services

Agency List

Business

Utah Division of Water Rights

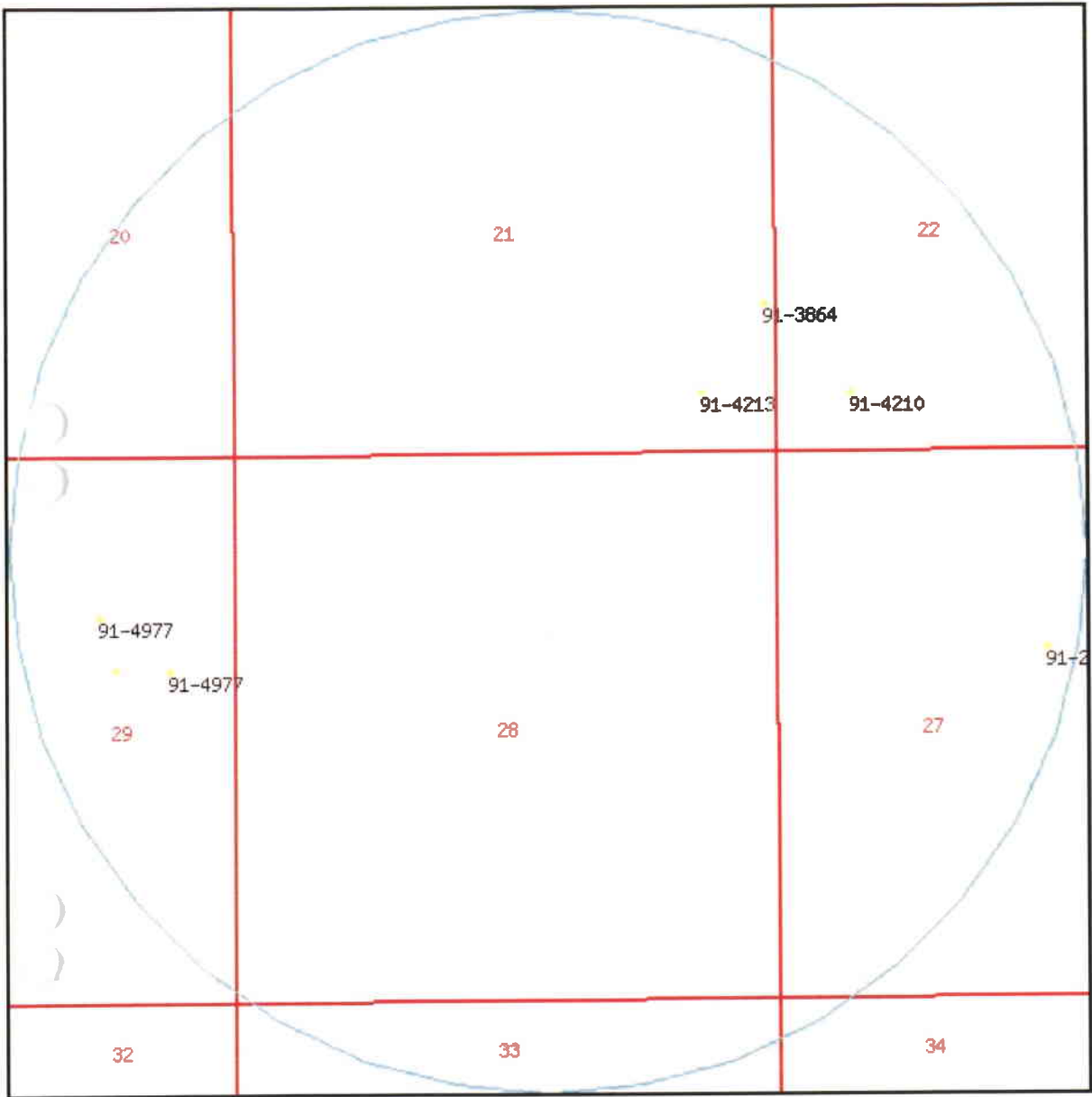
Search



WRPLAT Program Output Listing

Version: 2007.04.13.01 Rundate: 10/30/2007 04:40 PM

Radius search of 5280 feet from a point S952.74 W2249.05 from the NE corner, section 28, Township 14S, Range 10E, SL b&m
Criteria:wrtypes=W,C,E podtypes=S,U,Sp status=U,A,P usetypes=all



0 700 1400 2100 2800 ft

Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>91-276</u>	Surface S1920 W10 N4 27 14S 10E SL		P	19600718	I	0.750	0.000	MILTON B. BRYNER 720 NORTH 4TH EAST
<u>91-3864</u>	Surface S1230 W120 E4 21 14S 10E SL		P	19700402	IS	0.100	0.000	MASON MEEKS P.O. BOX 412
<u>91-4210</u>	Underground N580 E730 SW 22 14S 10E SL	<u>well info</u>	A	19790917	DI	0.015	0.000	CLYDE GRAMES ROUTE #1 BOX 305
<u>91-213</u>	Underground N580 W730 SW 22 14S 10E SL	<u>well info</u>	P	19791001	DI	0.015	0.000	CLYDE GRAMES 47 1/2 WEST 2ND NORTH
<u>91-4977</u>	Surface S1550 E1300 N4 29 14S 10E SL		A	19950627	IO	0.000	4.370	BLAKE LIDDELL 1398 SOUTH FAIRGROUNDS ROAD
<u>91-4977</u>	Surface S2060 E1460 N4 29 14S 10E SL		A	19950627	IO	0.000	4.370	BLAKE LIDDELL 1398 SOUTH FAIRGROUNDS ROAD
<u>91-4977</u>	Surface S2080 E1980 N4 29 14S 10E SL		A	19950627	IO	0.000	4.370	BLAKE LIDDELL 1398 SOUTH FAIRGROUNDS ROAD

2007-11 ConocoPhillips Carbon Co 28-863

Casing Schematic

BHP $0.052(1500)8.4 = 655 \text{ psi}$
anticipate 1256 psi

Gos $.12(1500) = 180$
 $655 - 180 = 475 \text{ psi, MASP}$

BOPE 3M ✓

Burst 2950
70% 2065 psi

Max P @ surface shoe
 $.22(1100) = 242$
 $655 - 242 = 413 \text{ psi}$

test to 500 psi ✓

✓ Adequate DWD 11/21/07

Surface

15%

18%

TOC @ 0.

Manco s

TOC @ 272.

Surface 400. MD

8-5/8"
MW 8.3
Frac 19.3

5-1/2"
MW 8.4

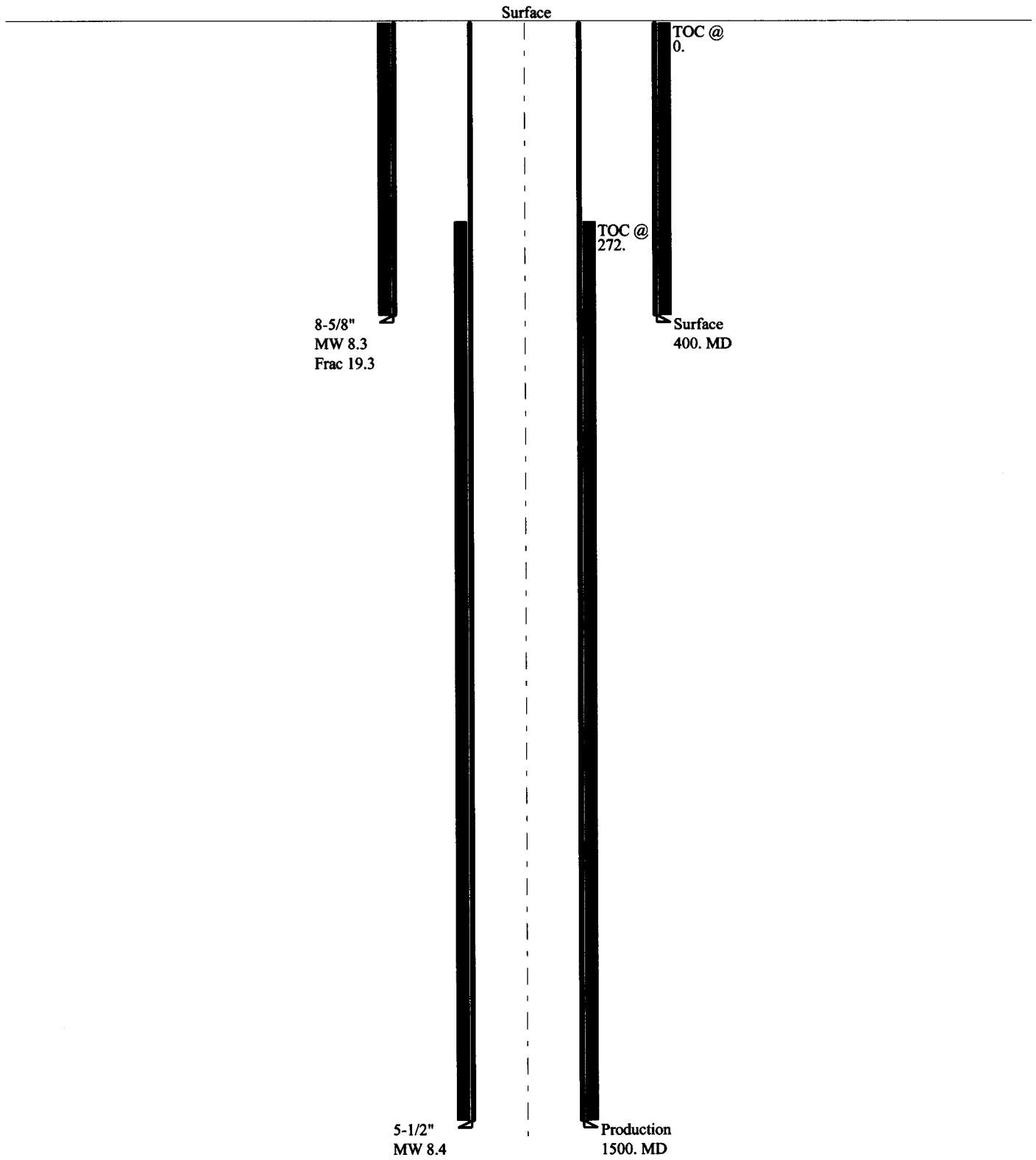
Production
1500. MD

854' Blue Gate Sh.

949' Coals & SS to T.D.



2007-11 ConocoPhillips Carbon Co 28-863
Casing Schematic



Well name:	2007-11 ConocoPhillips Carbon Co 28-863	
Operator:	ConocoPhillips Company	Project ID:
String type:	Surface	43-007-31332
Location:	Carbon County	

Design parameters:

Collapse

Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 71 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 150 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 352 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 400 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 350 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 1,500 ft
Next mud weight: 8.400 ppg
Next setting BHP: 655 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 400 ft
Injection pressure: 400 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	400	8.625	24.00	J-55	ST&C	400	400	7.972	143
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	173	1370	7.917	400	2950	7.38	10	244	25.42 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: 801-538-5357
FAX: 801-359-3940

Date: November 16, 2007
Salt Lake City, Utah

ENGINEERING STIPULATIONS:

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	2007-11 ConocoPhillips Carbon Co 28-863	
Operator:	ConocoPhillips Company	Project ID:
String type:	Production	43-007-31332
Location:	Carbon County	

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 86 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: 272 ft

Burst

Max anticipated surface pressure: 324 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 654 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 1,309 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1500	5.5	15.50	M-80	LT&C	1500	1500	4.887	200.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	654	4990	7.625	654	7000	10.70	23	282	12.13 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: 801-538-5357
FAX: 801-359-3940

Date: November 16, 2007
Salt Lake City, Utah

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☒
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: Fee	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: ConocoPhillips Company				9. WELL NAME and NUMBER: Carbon County 28-863	
3. ADDRESS OF OPERATOR: P.O. Box 51810 CITY Midland STATE Tx ZIP 79710			PHONE NUMBER: (432) 688-6943		10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 952.74 FNL & 2249.05 FEL <i>516804X 39.583603 43813524 -110.804273</i> AT PROPOSED PRODUCING ZONE:				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 28 14S 10E	
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18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1500 +/-		19. PROPOSED DEPTH: 1,500		20. BOND DESCRIPTION: Statewide	
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24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
17 1/2	13 3/8	H40	40.5#	60			
11	8 5/8	J55	24#	400	185 sxs G + 2% CC	.25 pps D130	15.8 ppg 1.16 ft3/sk
7 7/8	5 1/2	M80	15.5#	1,500	285 sxs 50/50 G +	2% gel + .1 #	14.1 ppg 1.6 Lft ³ /sk

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> COMPLETE DRILLING PLAN <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) <u>Donna Williams</u>	TITLE <u>Sr. Regulatory Specialist</u>
SIGNATURE	DATE <u>9/24/07</u>

(This space for State use only)

**Approved by the
Utah Division of
Oil, Gas and Mining**

API NUMBER ASSIGNED: 43-007-31332

APPROVAL:

Date: 11-21-07

By:

RECEIVED

SEP 26 2007

DIV. OF OIL, GAS & MINING

Range 10 East

(5253.60')

UTM
N 4381354
E 516808

CARBON COUNTY
#28-863
ELEV. 5528.9'

2249.05'

28

N00°00'08"W - 2657.13'

N00°02'59"E - 2662.26'

(S89°44'W - 5262.84')

Legend

- Drill Hole Location
- ⊙ Metal Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- () GLO
- GPS Measured

NOTES:

1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

LAT / LONG
39°35'01.036"N
110°48'15.411"W

Location:

The well location was determined using a Trimble 5700 GPS survey grade unit.

Basis of Bearing:

The Basis of Bearing is GPS Measured.

GLO Bearing:

The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:

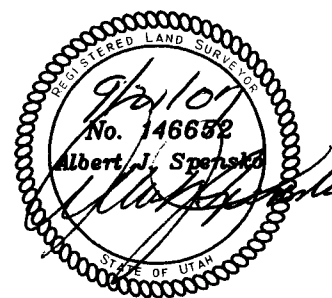
Basis of Elevation of 5459' being at the Southeast Section Corner of Section 34, Township 14 South, Range 10 East, Salt Lake Base and Meridian, as shown on the Price Quadrangle 7.5 minute series map.

Description of Location:

Proposed Drill Hole located in the NW/4 NE/4 of Section 28, T14S, R10E, S.L.B.&M., being 952.74' South and 2249.05' West from the Northeast Section Corner of Section 28, T14S, R10E, Salt Lake Base & Meridian.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



GRAPHIC SCALE

0 500' 1000'

(IN FEET)

1 inch = 1000 ft.



TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230
Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311
E-Mail talon • etv.net

ConocoPhillips

ConocoPhillips Company
CARBON COUNTY #28-863
Section 28, T14S, R10E, S.L.B.&M.
Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 9/18/07
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 3061

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 4A

Bond No. 6196922

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

That we (operator name) CONOCOPHILLIPS COMPANY as Principal,
and

(surety name) SAFECO INSURANCE COMPANY OF AMERICA as Surety, duly authorized
and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:

EIGHTY THOUSAND AND NO/100***** dollars (\$ 80,000.00)
lawful money of the United States, payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah, for the use and
benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successors, jointly and
severally by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrilling, deepening,
repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of
oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

X Blanket Bond: To cover all wells drilled in the State of Utah

Individual Bond: Well No: _____
Section: _____ Township: _____ Range: _____
County: _____, Utah

NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the rules, orders and
requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and abandonment of wells
and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its duly authorized
officers and its corporate or notary seal to be affixed this

30th day of Dec, 20 02

(Corporate or Notary Seal here)

Attestee: [Signature] Date: 12-30-02

By

Principal (company name)

Name (print)

Title

James F. Hughes
Signature

Manager

IN TESTIMONY WHEREOF, said Surety has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal
to be affixed this

1ST day of JANUARY, 20 03

(Corporate or Notary Seal here)

Carolyn E. Wheeler
Date: 12/20/2002

CAROLYN E. WHEELER
NOTARY PUBLIC
MY COMMISSION EXPIRES: NOVEMBER 1, 2006
(5/2002)

By

Name (print)

Title

Jina Marie
Signature

Surety Mailing Address

City

State

Zip

AFFIDAVIT CONCERNING SURFACE USE AGREEMENT

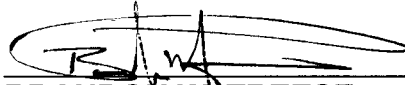
STATE OF COLORADO }
 }
COUNTY OF DENVER }

Brandon W. Treese, being first duly sworn upon his oath, deposes and says:

1. I am an Agent in the Property Tax, Real Estate, Right of Way and Claims Organization of ConocoPhillips Company, a Delaware corporation duly authorized to transact business in the State of Utah, ("COPC") and am authorized to execute this Affidavit on behalf of said corporation.
2. **Wayne Frandsen as President of Duvel's Inc., a.k.a. Duvels, Inc.**, whose address is 395 West 5640 North, Provo, Utah, 84604 ("**Surface Owner**") owns the surface estate of property located in the **Northeast One-quarter of Section 28, Township 14 South, Range 10 East, S.L.B.&M., Carbon County, Utah** ("Property").
3. COPC owns or operates oil and gas rights, including mineral leases, and may become holder of other oil and gas rights, including mineral leases, underlying and in the vicinity of the Property ("Leases") and desires to enter on the Property for the purposes of conducting oil and gas operations related to such oil and gas rights, including mineral leases.
4. The Surface Owner executed a Surface Use and Damage Agreement effective as of the 30th day of September 2005 which covers the Property. In addition to other agreements and as required by the State of Utah Division of Oil, Gas and Mining, Oil and Gas Conservation General Rules, R649-3-34 ("Well Site Restoration Rules"), the Surface Use and Damage Agreement sets forth the agreement between the parties for the protection of surface resources, reclamation of the Property and well site restoration, or damages in lieu thereof, for the surface pad location for COPC's **28-863 well** and associated infrastructure, which will be located on the Property. A Memorandum of Surface Use and Damage Agreement is being filed in the public records of Carbon County, Utah.
5. I execute and record this affidavit in accordance with the requirements of the Well Site Restoration Rules.

6. The matters stated herein are true of my own knowledge, except to any matters stated herein upon information and belief, and, as to those matters, I believe them to be true.

DATED this 7th day of September 2007.



BRANDON W. TREEESE
ConocoPhillips Company
Property Tax, Real Estate,
Right of Way and Claims
Agent

Subscribed, sworn and acknowledged to and by Brandon W. Treeese before me this 7th day of September 2007.



NOTARY PUBLIC
For the State of Colorado

My Commission Expires:

5-2-2010

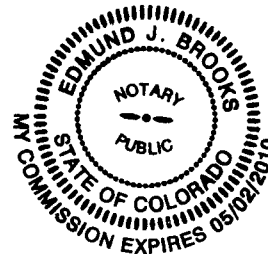


EXHIBIT "D"
DRILLING PROGRAM

Attached to Form 3
ConocoPhillips Company
Carbon County 28-863
NWNE of 28-14S-10E
952.74 FNL & 2249.05 FEL
Carbon County, Utah

1. The Surface Geologic Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate Shale Top 854

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones 949-1500

No groundwater is expected to be encountered.

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits.

All indications of usable water will be reported.

Surface casing will be tested to 500 psi and Production casing tested to 1500 psi with a minimum of 1 psi/ft of the last casing string depth

4. The Proposed Casing and Cementing Programs

Hole Size	Casing Size	Wt/Ft	Grade	Joint	Depth set
17 1/2"	13 3/8"	40.5	H-40	ST&C	0-60
11	8 5/8	24#	J55	ST&C	0-400'
7 7/8	5 1/2"	15.5#	M80	LT&C	0-1500

Cementing Program

The 8 5/8" surface casing will be set with approximately 185 sacks Class G or Type V cement with 2% CC + ¼ pps D130 mixed at 15.8 ppg (yield = 1.16 ft³/sx). The cement will be circulated back to surface with 100% excess.

The 5 ½" production casing will be set and cemented using a single stage cementing process .

Cement Program: Pump 285 sxs 50/50 Poz Class G + 2% gel + .1% defoamer + .2% uniflac + .2% dispersant + .125 pps cellophane flakes mixed at 14.1 ppg (yield = 1.62 ft³/sx)

The above cement volumes are approximate and are calculated under the assumption that a gauge hole will be achieved. If the cement does not return to surface, a cement bond log will be run to determine the top of cement. In the case where the cement is below the surface casing shoe, the casing will be perforated and squeeze cemented to the surface. If the cement is above the surface casing shoe, cement will be one-inched to the surface.

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A double gate 3000 psi BOPE will be used with a rotating head. This equipment will be tested to required pressures. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-400	11" hole	Drill with air, will mud-up if necessary.
400-TD	7 7/8 hole	Drill with air, will mud-up if necessary. 400 psi @ 1400-1600 cfm

7. The Testing, Logging and Coring Programs are as followed

400-TD Gamma Ray, Neutron Porosity, CBL

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is about 1256 psi max., however due to offset production pressures may be much lower. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled around October 1, 2007

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

SURFACE USE PLAN

Attached to Form 3
ConocoPhillips Company
*Carbon County 28-863
NWNE of 28-14S-10E
952.74 FNL & 2249.05 FEL
Carbon County, Utah

1. Existing Roads

- a. We do not plan to change, alter or improve upon any existing state or county roads.
- b. Existing roads will be maintained in the same or better condition. See Exhibit "B".

2. Planned Access

Approximately 1000' of new access is required (Refer to Drawing L-1)

- a. Maximum Width: 24' travel surface with 27' base
- b. Maximum grade: 7%
- c. Turnouts: None
- d. Drainage design: 1 culverts may be required. Water will be diverted around well pad as necessary.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Pipe and power lines will follow the proposed access road.

3. Location of Existing Wells

- a. Refer to Drawing L-1.

4. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, installation of production facilities will be as shown on Exhibit "H". Buried powerlines run along access on the east and north, gathering lines on the south or west.
- b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be purchased from the Price River Water Improvement District (a local source of municipal water) (tel. 435-637-6350).
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. Any necessary construction materials needed will be obtained locally and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for handling waste disposal

- a. As the well will be air drilled, a small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will not be lined unless conditions encountered during construction warrant it or if deemed necessary by the DOGM representative during the pre-site inspection. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operation cease with woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.
- b. Following drilling, the liquid waste will be evaporated from the pit and the pit back-filled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
- c. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- c. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

- a. We anticipate no need for ancillary facilities with the exception of one trailer to be located on the drill site.

9. Wellsite Layout

- a. Available topsoil will be removed from the location and stockpiled. Location of mud tanks, reserve and berm pits, and soil stockpiles will be located as shown on the attachments.
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the pit. The pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Drawing A-2 and L-1.
- d. Natural runoff will be diverted around the well pad.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.

11. Surface Ownership:

- a. The wellsite and access road will be constructed on lands owned by Wayne Frandsen as President of Duvel's Inc., a.k.a. Duvels, Inc. The operator shall contact the landowner representative and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities

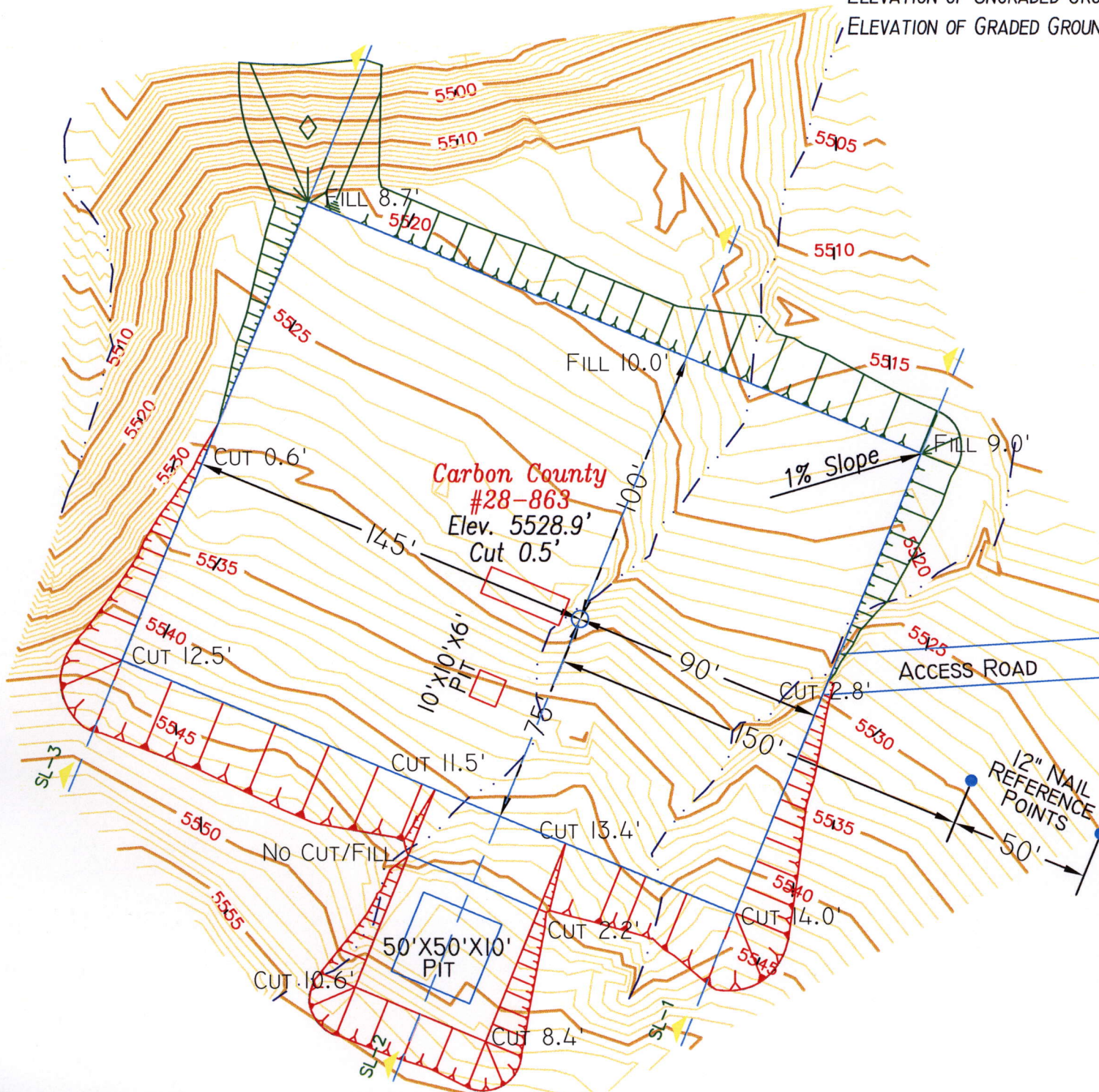
12. Other Information:

- a. The primary surface use is farming and grazing. The nearest dwelling is approximately 1/4 mile north.
- b. Nearest live water is the Price River located approximately 1 mile east.
- c. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed and piled downhill from the topsoil stockpile location.
- d. The backslope and foreslope will be constructed no steeper than 4:1.
- e. All equipment and vehicles will be confined to the access road and well pad.
- f. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be on the wellsite during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 5528.9'

ELEVATION OF GRADED GROUND AT LOCATION STAKE = 5528.4'



TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230

Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311

E-Mail talon@etv.net



ConocoPhillips Company
LOCATION LAYOUT
 Section 28, T14S, R10E, S.L.B.&M.
CARBON COUNTY #28-863

Drawn By:
N. BUTKOVICH

Checked By:
L.W.J.

Drawing No.

A-2

Date:

9/18/07

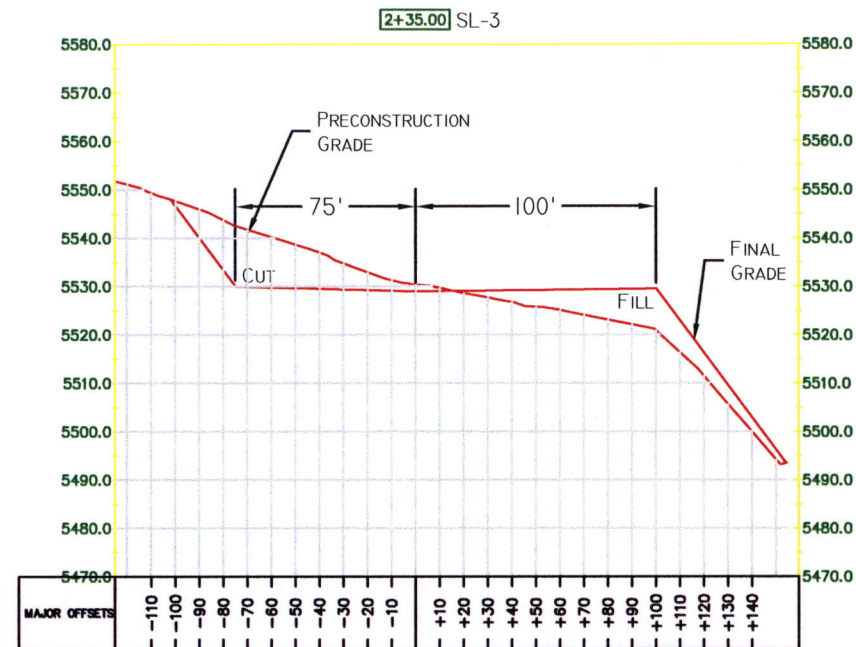
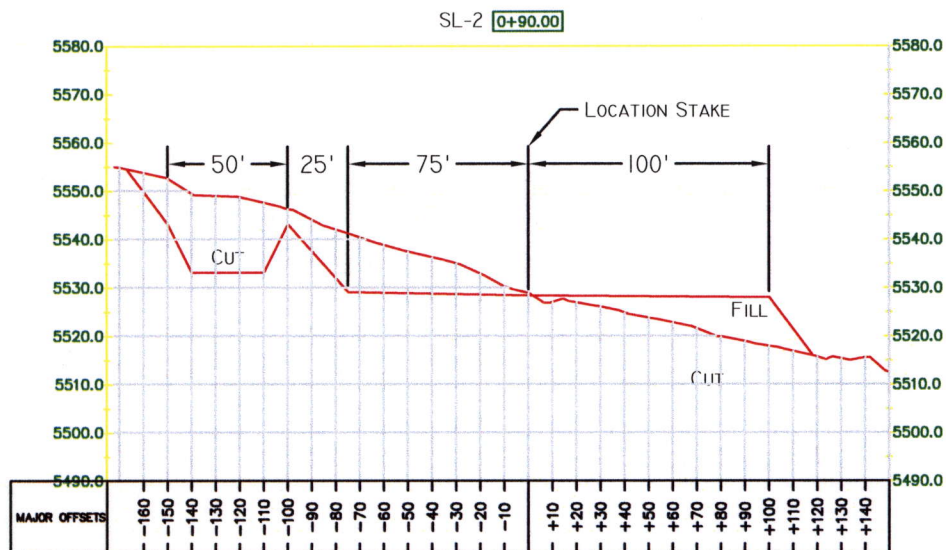
Scale:

1" = 50'

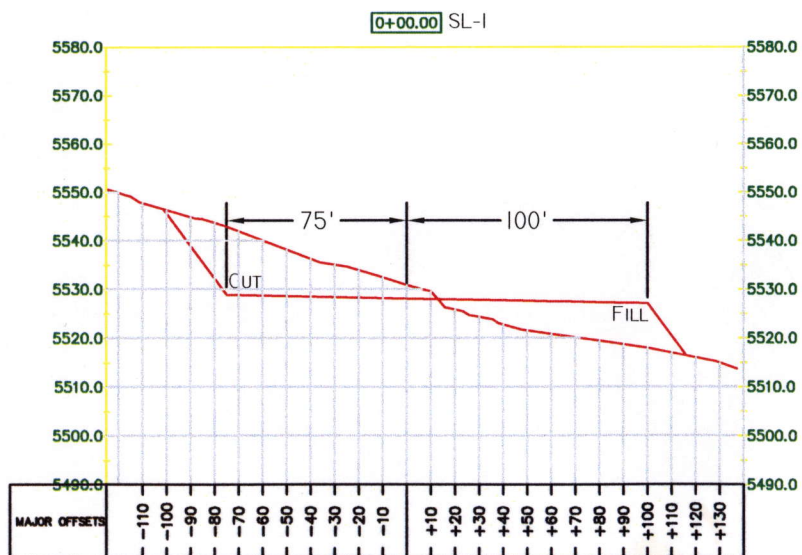
Sheet **2** of **4**

Job No.
3061

1"=10'
X-Section
Scale
1"=20'



SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 : 1



APPROXIMATE YARDAGES

(6") TOPSOIL STRIPPING = 810 CU. YDS.

TOTAL CUT (INCLUDING PIT) = 9,750 CU. YDS.

TOTAL FILL = 5,485 CU. YDS.



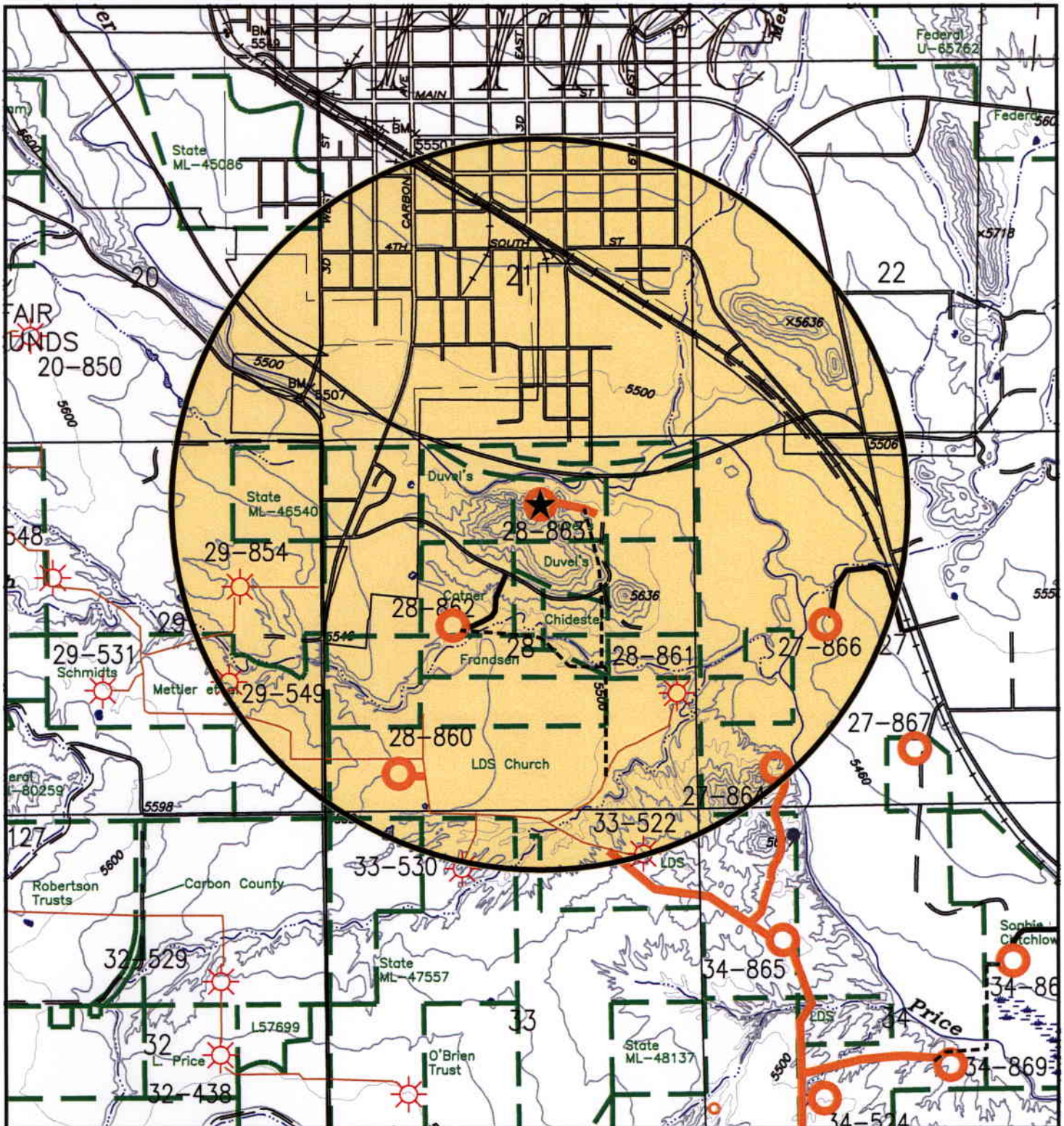
TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon@etv.net

ConocoPhillips

ConocoPhillips Company
TYPICAL CROSS SECTION
Section 28, T14S, R10E, S.L.B.&M.
CARBON COUNTY #28-863

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 9/18/07
	Scale: 1" = 80'
Sheet 3 of 4	Job No. 3061



LEGEND

Proposed Well Location:
 Other Proposed Well Locations:
 Proposed Powerline:
 Proposed Pipeline:
 Proposed Roads:
 Lease Boundary:
 Existing Wells:



Scale: 1" = 2000'

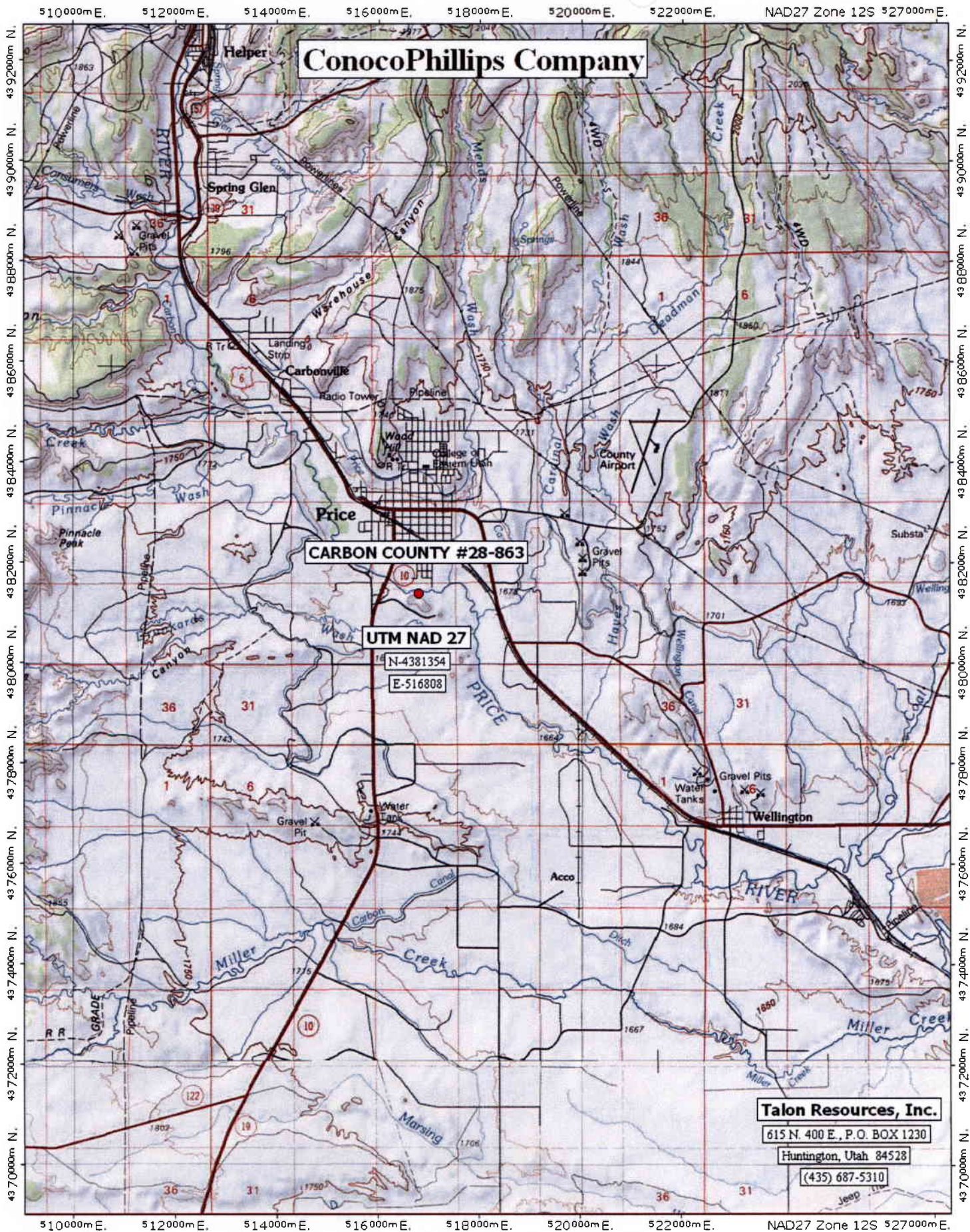
September 18, 2007

ConocoPhillips Company

6825 South 5300 West
 P.O. Box 851
 Price, Utah 84501
 Phone: (435) 613-9777
 Fax: (435) 613-9782



WELL CARBON COUNTY #28-863
Section 28, T14S, R10E, S.L.B.&M.
Drawing L-1 4 of 4



TN
12°

13. Company Representative

Jean Semborski
Construction/Asset Integrity Supervisor
ConocoPhillips Company
P.O. Box 851
6825 South 5300 West
Price, Utah 84501
(435) 613-9777
(435) 820-9807

Mail Approved A.P.D. To:

Donna Williams
Sr. Regulatory Analyst
ConocoPhillips Company
P.O. Box 51810
Midland, Texas 79710


Excavation Contractor

Larry Jensen, Vice President
Nelco Contractors Inc.
(435) 637-3495
(435) 636-5268

14. Certification

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by ConocoPhillips Company and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

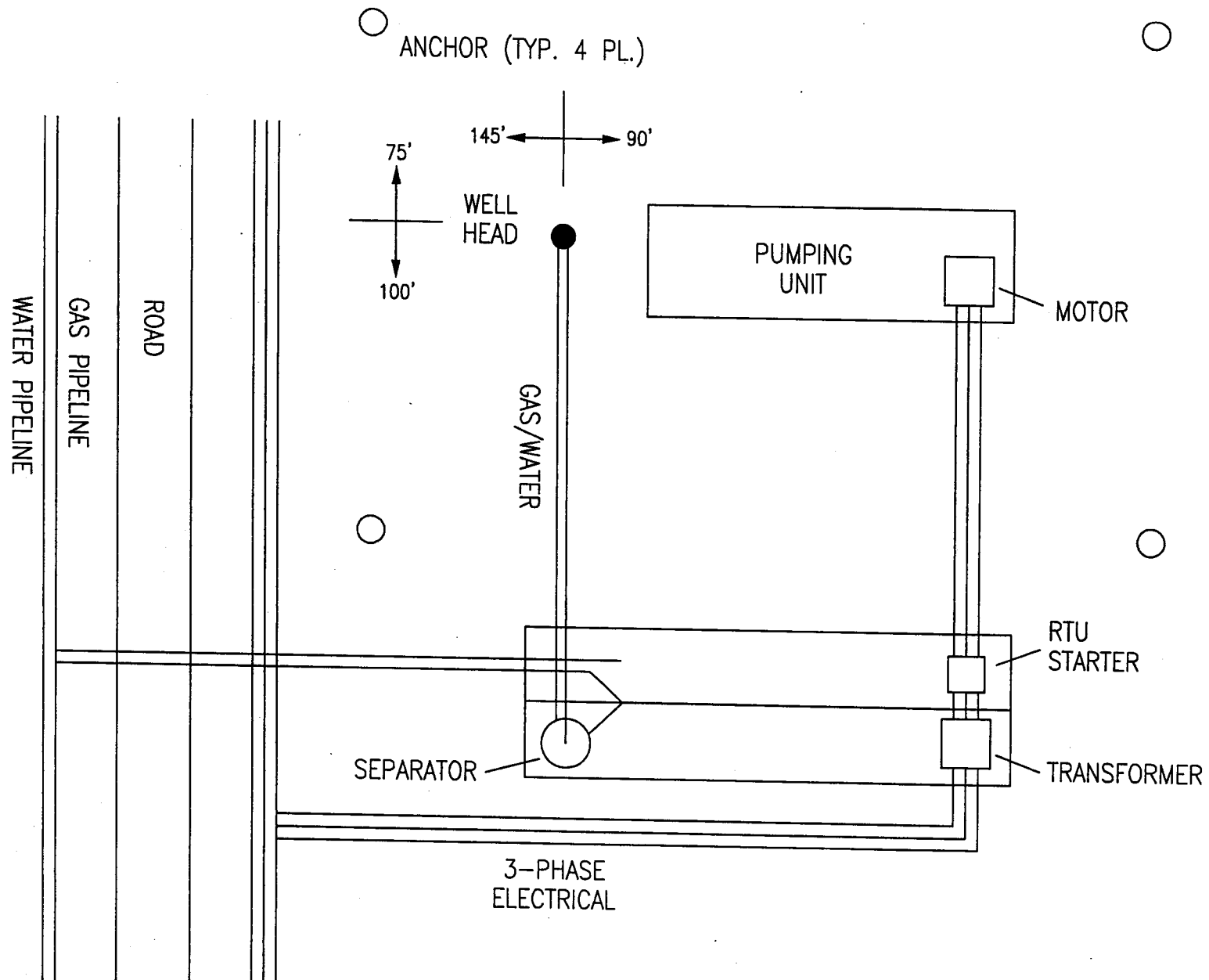
9/10/07
Date



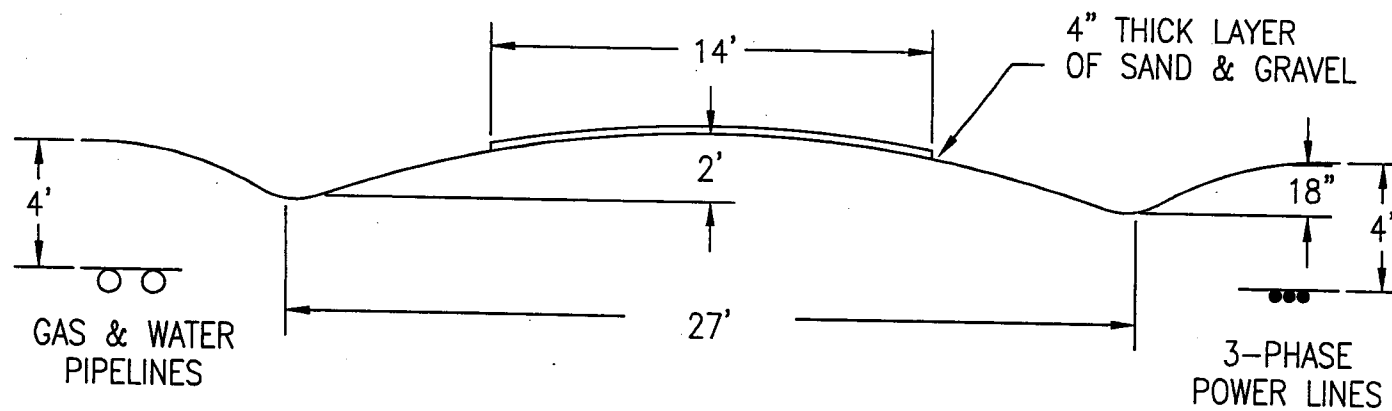
Donna Williams
Sr. Regulatory Analyst
ConocoPhillips Company

CONOCOPHILLIPS COMPANY

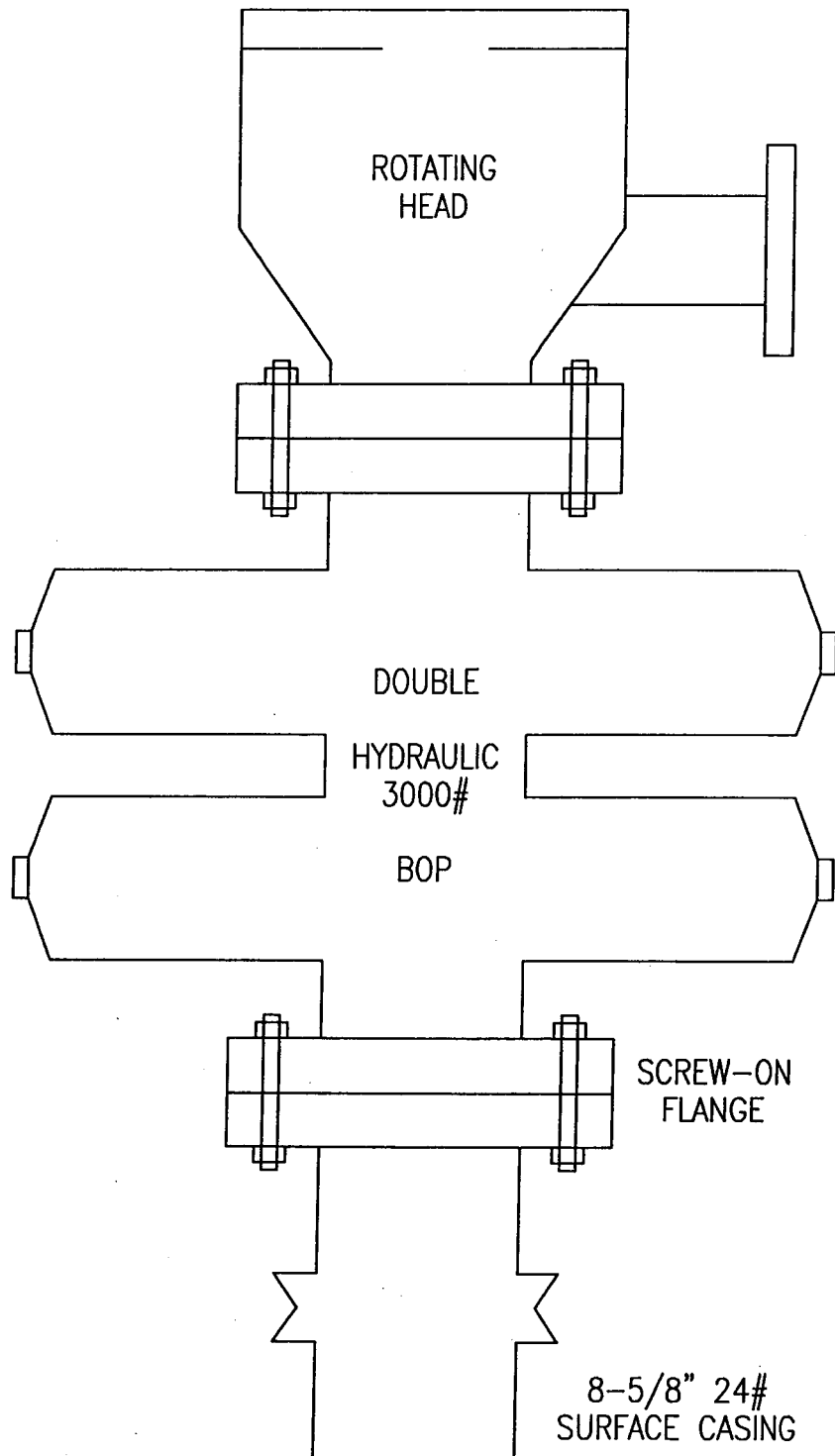
WELL SITE LAYOUT (235' x 175')



TYPICAL ROAD CROSS-SECTION
CONOCOPHILLIPS COMPANY



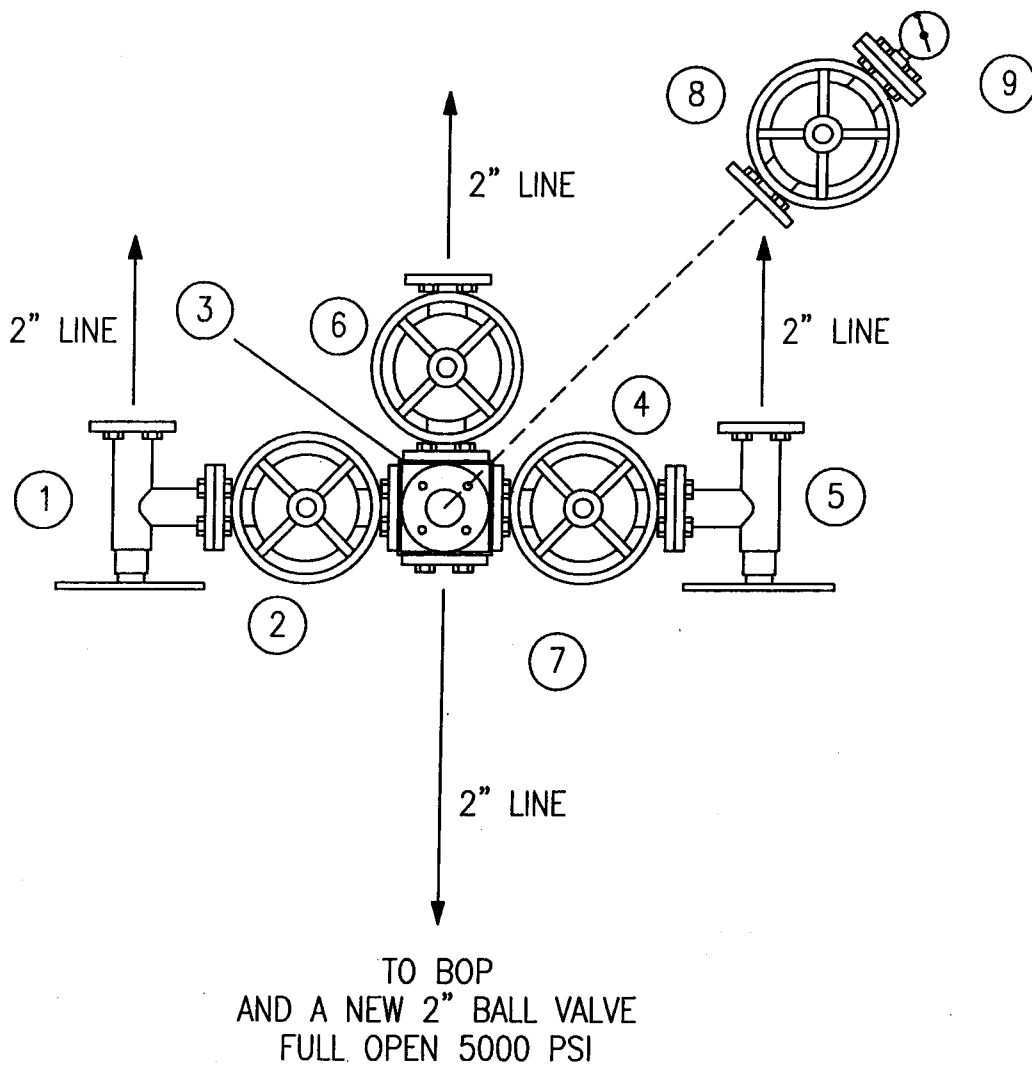
DIVERTER HEAD
CONOCOPHILLIPS COMPANY



CONOCOPHILLIPS COMPANY

- (1) 2" 5M FLANGED CHOKE
- (2) 2" 5M GATE VALVE (FLANGED)
- (3) 2" 5M STUDDED CROSS
- (4) 2" 5M GATE VALVE (FLANGED)
- (5) 2" 5M FLANGED CHOKE
- (6) 2" 5M GATE VALVE (FLANGED)
- (7) 2" LINE
- (8) 2" 5M GATE VALVE (FLANGED)
- (9) 3000# GAUGE

NOTE:
NUMBER 8 GATE VALVE SITS ON TOP OF MANIFOLD BETWEEN STUDDED CROSS AND 3000# GAUGE.



MANIFOLD



ConocoPhillips Company
3300 N. 'A' St. Bldg. 6
Midland, TX 79705

September 10, 2007

Utah Division of Oil, Gas, and Mining
P.O. Box 145801
Salt Lake City, Utah 84114

Location Exception Request
Carbon County 28-863
952.74 FNL & 2249.05 FEL
NWNE of 28-14S-10E
Carbon County, Utah

Ladies and Gentlemen:

Pursuant to Utah Code R649-3-2, ConocoPhillips Company hereby respectfully requests administrative approval for a location exception for the referenced well due to topography issues that prevented the well from being spotted within the center of the 40 acre spacing unit. Furthermore, COP is 100% owner/operator of all tracts within a radius of 460' from the proposed well.

Should you have any questions, or need additional information, please do not hesitate to contact me at 432-688-6943.

Sincerely,

A handwritten signature in black ink, appearing to read 'Donna J. Williams', written over the word 'Sincerely,'.

Donna J. Williams
Sr. Regulatory Specialist

RECEIVED
SEP 26 2007
DIV. OF OIL, GAS & MIN.



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

November 21, 2007

ConocoPhillips Company
P O Box 51810
Midland, TX 79710

Re: Carbon County 28-863 Well, 952' FNL, 2249' FEL, NW NE, Sec. 28, T. 14 South, R. 10 East, Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31332.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor



Operator: ConoccoPhillips Company
Well Name & Number Carbon County 28-863
API Number: 43-007-31332
Lease: FEE

Location: NW NE Sec. 28 T. 14 South R. 10 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office (801) 942-0873 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: CONOCOPHILLIPS COMPANY

Well Name: CARBON COUNTY 28-863

Api No: 43-007-31332 Lease Type: FEE

Section 28 Township 14S Range 10E County CARBON

Drilling Contractor PENSE DRILLING RIG # 18

SPUDDED:

Date 04/20/08

Time 9:00 AM

How DRY

Drilling will Commence: _____

Reported by MIKE JOHNSON

Telephone # (307) 851-5824

Date 04/21/08 Signed CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: ConocoPhillips Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P. O. Box 51810 CITY Midland STATE TX ZIP 79710		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (432) 688-6943		8. WELL NAME and NUMBER: Carbon County 28-863
4. LOCATION OF WELL FOOTAGES AT SURFACE: 952' FNL and 2249' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 28 14S 10E		9. API NUMBER: 4300731332
		10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
		COUNTY: Carbon
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 4/20/2008	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Spud Well
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

4/20/2008: Spud 14 1/2" conductor hole, drill to 10'.

4/21/2008: Drill to 49'. Set 13 3/8" conductor pipe @ 49'. Drill w/11" hammer to 444'. Set 8 5/8", J-55, 24# surface casing at 425.40', cement w/185 sacks, 15.8#, Class G cement, circ 10 bbl cement to surface.

NAME (PLEASE PRINT)

Donna Williams

TITLE

Sr. Regulatory Specialist

SIGNATURE

DATE

4/24/2008

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DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: ConocoPhillips Company Operator Account Number: N 2335
Address: P. O. Box 51810
city Midland
state TX zip 79710 Phone Number: (432) 688-6943

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
4300731332	Carbon County 28-863	NWNE	28	14S	10E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	16778	4/20/2008	4/24/08		
Comments: <u>FRSD</u>						

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

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Donna Williams

Name (Please Print)

Signature

Sr. Regulatory Specialist

Title

4/24/2008

Date

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

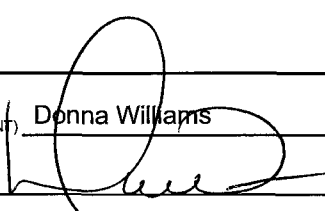
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: ConocoPhillips Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P. O. Box 51810 CITY Midland STATE TX ZIP 79710		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 952' FNL and 2249' FEL		8. WELL NAME and NUMBER: Carbon County 28-863
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 28 14S 10E		9. API NUMBER: 4300731332
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 6/20/2008	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

First production for the above referenced well occurred on June 20, 2008: 663 Mcfd, 0 BO, 782 BW

NAME (PLEASE PRINT) Donna Williams	TITLE Sr. Regulatory Specialist
SIGNATURE 	DATE 6/24/2008

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DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL:		OIL WELL <input type="checkbox"/>	GAS WELL <input checked="" type="checkbox"/>	DRY <input type="checkbox"/>	OTHER <input type="checkbox"/>		
b. TYPE OF WORK:		NEW WELL <input checked="" type="checkbox"/>	HORIZ. LATS. <input type="checkbox"/>	DEEP-EN <input type="checkbox"/>	RE-ENTRY <input type="checkbox"/>	DIFF. RESVR. <input type="checkbox"/>	OTHER <input type="checkbox"/>
2. NAME OF OPERATOR: ConocoPhillips Company						5. LEASE DESIGNATION AND SERIAL NUMBER: Fee	
3. ADDRESS OF OPERATOR: P. O. Box 51810 CITY Midland STATE TX ZIP 79710						6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 952' FNL and 2249' FEL AT TOP PRODUCING INTERVAL REPORTED BELOW: AT TOTAL DEPTH:						7. UNIT or CA AGREEMENT NAME N/A	
10 FIELD AND POOL, OR WILDCAT Drunkards Wash						8. WELL NAME and NUMBER: Carbon County 28-863	
14. DATE SPUDDED: 4/20/2008						9. API NUMBER: 4300731332	
15. DATE T.D. REACHED: 4/24/2008						10 FIELD AND POOL, OR WILDCAT Drunkards Wash	
16. DATE COMPLETED: 6/2/2008						11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 28 14S 10E	
17. ELEVATIONS (DF, RKB, RT, GL): 5528.9 GL						12. COUNTY Carbon	
18. TOTAL DEPTH: MD 1,523 TVD						13. STATE UTAH	
19. PLUG BACK T.D.: MD 1,523 TVD						20. IF MULTIPLE COMPLETIONS, HOW MANY? *	
21. DEPTH BRIDGE MD PLUG SET: TVD						22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) DI/GL/GR, CD/CN/GR	
23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)							

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
11	8 5/8 J55	24		425		CI G 185		Surf circ	None
7 7/8	5 1/2 M80	15.5		1,512		CI G 800		Surf circ	None

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Ferron	893	1,140			1,132 1,140		48	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B)					1,065 1,097		84	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C)					946 954		48	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(D)					893 910		42	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
1132-1140	Frac w/1000# 100 mesh sand, 27,000# 16/30 sand, 589 BW
1065-1097	Frac w/1400# 100 mesh sand, 93,000# 16/30 sand, 1079 BW
946-954	Frac w/1000 100 mesh sand, 48,000# 16/30 sand, 701 BW

29. ENCLOSED ATTACHMENTS:

- ☒ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER:

30. WELL STATUS:

Producing

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31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 6/20/2008		TEST DATE: 6/20/2008		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 0		GAS – MCF: 663		WATER – BBL: 782		PROD. METHOD: Flowing	
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →		OIL – BBL: 0		GAS – MCF: 663		WATER – BBL: 782		INTERVAL STATUS: Open	

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				Bluegate	718
				Ferron Sand	863
				Ferron Coal	892
				Tununk	1,266

35. ADDITIONAL REMARKS (Include plugging procedure)

(CONTINUED) No. 28. Frac Treatment 893'-910' - Frac w/1000# 100 mesh sand, 45,700# 16/30 sand, 720 BW.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Donna Williams

TITLE Sr. Regulatory Specialist

SIGNATURE

DATE 6/30/2008

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation

- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940